

[REDACTED] [REDACTED]
EP/EO:TS

MAR 11 1981
[REDACTED]

Dear Applicant:

Your application for exemption from Federal income tax under the provisions of Section 501(c)(12) of the Internal Revenue Code has been considered.

The evidence that you submitted shows that you were incorporated on [REDACTED] under the laws of the State of [REDACTED]

Your purposes, briefly stated, are to manage and operate condominium units and to engage in such related activities as may be necessary in furtherance of said purposes.

Information submitted with and in support of your application indicates your activities are to assess members for maintenance of a commonly owned building and provide for such upkeep of building and grounds.

Section 501(c)(12) of the code provides for the exemption from Federal income tax for benevolent life insurance associations of a purely local character, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations.

Revenue Ruling 65-201 holds that a cooperative organization which operates and maintains a housing development and provides housing facilities and maintenance services on a cooperative basis for personal benefit of its tenant-owner members does not qualify for exemption as an organization described in Section 501(c)(12), or any other provision, of the code.

In view of the foregoing, it is our conclusion that your organization does not come within the intent of Section 501(c)(12).

Accordingly, it is held that you are not entitled to exemption as an organization described in Section 501(c)(12) of the Internal Revenue Code. Therefore, you are required to file Federal income tax returns on Form 1120. However, you may qualify for election as a homeowners association by filing Form 1120-H. To determine if you qualify for this election see the section on Homeowners Associations in Publication 588.

[REDACTED]

[REDACTED]

If you do not agree with these conclusions, you may request Appeals Office consideration. To do this, you must submit to the District Director within 30 days from the date of this letter, a statement of facts, law, and arguments, in duplicate, which will clearly set forth your position. You also must state whether you wish an Appeals Office conference. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met.

If we do not hear from you within the time specified, this communication will become our determination in the matter.

Very truly yours,

[REDACTED]
District Director

Enclosures:
Publication 588
Publication 892